

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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MEMORANDUM

TO: Malden Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: October 31, 2016

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY17 (since the amount under the prior schedule was maintained in FY17) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.75% to 7.50% and the adoption of a fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

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Malden Retirement System
January 1, 2016 Actuarial Valuation

Total appropriation increases 5.69% per year through FY29, with a final amortization payment in FY30

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Amort. of</u> <u>2002 ERI</u>	<u>Amort. of</u> <u>2003 ERI</u>	<u>Amort. of</u> <u>2010 ERI</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>% Increase</u> <u>Total Cost</u>
2017	3,467,287	100,000	6,518,600	412,511	201,392	107,176	10,806,966	94,197,481	
2018	3,623,315	100,000	6,977,489	412,511	201,392	107,176	11,421,882	93,479,637	5.69%
2019	3,786,364	100,000	7,464,345	412,511	201,392	107,176	12,071,787	92,214,650	5.69%
2020	3,956,750	100,000	8,393,354		201,392	107,176	12,758,672	90,331,418	5.69%
2021	4,134,804	100,000	9,142,660			107,176	13,484,641	87,751,709	5.69%
2022	4,320,870	100,000	9,723,870			107,176	14,251,917	84,389,513	5.69%
2023	4,515,309	100,000	10,447,541				15,062,851	80,150,351	5.69%
2024	4,718,498	100,000	11,101,429				15,919,927	74,930,521	5.69%
2025	4,930,831	100,000	11,794,940				16,825,771	68,616,274	5.69%
2026	5,152,718	100,000	12,530,439				17,783,157	61,082,934	5.69%
2027	5,384,590	100,000	13,310,428				18,795,019	52,193,932	5.69%
2028	5,626,897	100,000	14,137,558				19,864,455	41,799,767	5.69%
2029	5,880,107	100,000	15,014,635				20,994,743	29,736,874	5.69%
2030	6,144,712	100,000	15,826,406				22,071,119	15,826,406	5.13%
2031	6,421,224	100,000					6,521,224	0	-70.45%

Appropriation payments assumed to be made July 1 of each fiscal year.

Normal cost assumed to increase 4.5% per year.

Assumed expenses of \$600,000

FY17 appropriation was maintained at the same level as the prior schedule.